

1/15/02 Referred To: Stat. Resource

JAN 14 2002  
TRANSPORTATION

HOUSE FILE 2033  
BY VAN ENGELENHOVEN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing a method for issuing certificates of title for  
2 snowmobiles and all-terrain vehicles, and registration  
3 certificates for certain watercraft, for which ownership has  
4 not been conclusively established.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2033

1 Section 1. Section 321G.29, Code 2001, is amended by  
2 adding the following new subsection:

3 NEW SUBSECTION. 10. If the county recorder is not  
4 satisfied as to the ownership of the snowmobile or all-terrain  
5 vehicle or that there are no undisclosed security interests in  
6 the snowmobile or all-terrain vehicle, the county recorder may  
7 issue a certificate of title for the snowmobile or all-terrain  
8 vehicle, but, as a condition of such issuance, may require the  
9 applicant to file with the department a bond in the form  
10 prescribed by the department and executed by the applicant,  
11 and also executed by a person authorized to conduct a surety  
12 business in this state. The form and amount of the bond shall  
13 be established by rule of the department. The bond shall be  
14 conditioned to indemnify any prior owner and secured party and  
15 any subsequent purchaser of the snowmobile or all-terrain  
16 vehicle or person acquiring any security interest in the  
17 snowmobile or all-terrain vehicle, and their respective  
18 successors in interest, against any expense, loss, or damage,  
19 including reasonable attorney fees, by reason of the issuance  
20 of the certificate of title of the snowmobile or all-terrain  
21 vehicle or on account of any defect in or undisclosed security  
22 interest upon the right, title, and interest of the applicant  
23 in and to the snowmobile or all-terrain vehicle. Any such  
24 interested person has a right of action to recover on the bond  
25 for any breach of its conditions, but the aggregate liability  
26 of the surety to all persons shall not exceed the amount of  
27 the bond. The bond shall be returned at the end of three  
28 years or prior thereto if the snowmobile or all-terrain  
29 vehicle is no longer registered in this state and the  
30 certificate of title is surrendered to the department, unless  
31 the department has been notified of the pendency of an action  
32 to recover on the bond.

33 Sec. 2. Section 462A.5, subsection 1, unnumbered paragraph  
34 2, Code Supplement 2001, amended to read as follows:

35 The owner of the vessel shall file an application for

1 registration with the appropriate county recorder on forms  
2 provided by the commission. The application shall be  
3 completed and signed by the owner of the vessel and shall be  
4 accompanied by the appropriate fee, and the writing fee  
5 specified in section 462A.53. Upon applying for registration,  
6 the owner shall display a bill of sale, receipt, or other  
7 satisfactory proof of ownership as provided by the rules of  
8 the commission to the county recorder. If the county recorder  
9 is not satisfied as to the ownership of the vessel or that  
10 there are no undisclosed security interests in the vessel, the  
11 county recorder may register the vessel but shall, as a  
12 condition of issuing a registration certificate, require the  
13 applicant to follow the procedure provided in section 462A.5A.  
14 Upon receipt of the application in approved form accompanied  
15 by the required fees, the county recorder shall enter it upon  
16 the records of the recorder's office and shall issue to the  
17 applicant a pocket-size registration certificate. The  
18 certificate shall be executed in triplicate, one copy to be  
19 delivered to the owner, one copy to the commission, and one  
20 copy to be retained on file by the county recorder. The  
21 registration certificate shall bear the number awarded to the  
22 vessel, the passenger capacity of the vessel, and the name and  
23 address of the owner. In the use of all vessels except  
24 nonpowered sailboats, nonpowered canoes, and commercial  
25 vessels, the registration certificate shall be carried either  
26 in the vessel or on the person of the operator of the vessel  
27 when in use. In the use of nonpowered sailboats, nonpowered  
28 canoes, or commercial vessels, the registration certificate  
29 may be kept on shore in accordance with rules adopted by the  
30 commission. The operator shall exhibit the certificate to a  
31 peace officer upon request or, when involved in a collision or  
32 accident of any nature with another vessel or other personal  
33 property, to the owner or operator of the other vessel or  
34 personal property.

35 Sec. 3. NEW SECTION. 462A.5A FILING BOND AS ASSURANCE OF

1 OWNERSHIP.

2 An applicant for registration of a vessel for which the  
3 county recorder is not satisfied as to the ownership of the  
4 vessel as provided in section 462A.5, subsection 1, shall file  
5 with the department a bond in the form prescribed by the  
6 department and executed by the applicant, and also executed by  
7 a person authorized to conduct a surety business in this  
8 state. The form and amount of the bond shall be established  
9 by rule of the department. The bond shall be conditioned to  
10 indemnify any prior owner and secured party and any subsequent  
11 purchaser of the vessel or person acquiring any security  
12 interest in the vessel, and their respective successors in  
13 interest, against any expense, loss, or damage, including  
14 reasonable attorney fees, by reason of the issuance of the  
15 registration certificate of the vessel or on account of any  
16 defect in or undisclosed security interest upon the right,  
17 title, and interest of the applicant in and to the vessel.  
18 Any such interested person has a right of action to recover on  
19 the bond for any breach of its conditions, but the aggregate  
20 liability of the surety to all persons shall not exceed the  
21 amount of the bond. The bond shall be returned at the end of  
22 three years or prior thereto if the vessel is no longer  
23 registered in this state and the registration certificate is  
24 surrendered to the department, unless the department has been  
25 notified of the pendency of an action to recover on the bond.

26 EXPLANATION

27 This bill adapts a method established for issuing  
28 certificates of title for motor vehicles for which the issuing  
29 authority is not satisfied as to the ownership of the vehicle  
30 or that there are no undisclosed security interests in it to  
31 issuance of certificates of title for snowmobiles and all-  
32 terrain vehicles, and to issuance of registration for  
33 watercraft, with similarly questioned ownership. The bill  
34 provides that the county recorder may issue a certificate of  
35 title for such a snowmobile or all-terrain vehicle, or

1 registration certificate for such a watercraft, if the  
2 applicant files a bond with the department of natural  
3 resources.

4 The bill provides that the bond shall be executed by a  
5 person authorized to conduct a surety business and shall be in  
6 an amount determined by the department by rule. The bond  
7 shall protect prior owners, secured parties, and subsequent  
8 owners of the snowmobile, all-terrain vehicle, or watercraft.  
9 The bond is to be returned at the end of three years, or  
10 before if the snowmobile, all-terrain vehicle, or watercraft  
11 is no longer registered in this state and the certificate of  
12 title or registration certificate is surrendered to the  
13 department, unless the department has been notified of the  
14 pendency of an action to recover on the bond.

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